

OFFER TO PURCHASE REAL PROPERTY

Issued by Authority of Act 671, Public Acts of 2002

Mailing Address:

Department of Management and Budget
Strategic Asset Management
Cass Building, 1st Floor
P.O. Box 30026
Lansing, Michigan 48909

Delivery Address:

Department of Management and Budget
Strategic Asset Management
Cass Building, 1st Floor
320 S. Walnut Street
Lansing, Michigan 48933

_____, a _____,
hereinafter called the "Buyer," whose address is _____,
_____, and whose telephone number is _____,
hereby agrees, subject to the following terms and conditions, to purchase from the State of Michigan, hereinafter called the "Seller," whose address is The Capitol, Lansing, Michigan 48901, and whose address for purposes of communications with regard to this transaction is listed at the top of this page, Attention: Thomas F. Saxton, the following land, structures and improvements located in the County of Wayne, State of Michigan, described as follows (the "Property"):

SEE ATTACHED EXHIBIT A

Commonly known as the property located in Washtenaw County, York Township at the northeast corner of the intersection of US-23 and Willis Road.

The Property is subject to all applicable building and use restrictions, liens, encumbrances, charges, title exceptions, and easements, if any, affecting the premises for the sum of _____ and 00/100 Dollars (\$_____) payable to the Seller.

1. This Agreement shall be irrevocable except as set forth in Section 7 with respect to cancellation during the Inspection Period.
2. The Seller, by executing the acceptance portion hereof and depositing the same in the United States mail in an envelope addressed to the Buyer at the address stated above, or at any other address designated by the Buyer in writing prior to the acceptance, and upon the happening of such events this document shall without further action of either of the parties, become a binding contract for the sale of the Property. Notwithstanding any other provision of this Agreement, Buyer acknowledges that sale of the Property must be approved by the State Administrative Board prior to Closing. Seller makes no representation that the State Administrative Board will approve this Agreement.

If the Buyer fails to perform any of its obligations under this Agreement, the Seller, upon fifteen (15) calendar days written notice to the Buyer, may terminate this Agreement and any monies paid hereunder may be retained by the Seller as liquidated damages, in which latter event the Seller shall have no other rights, remedies or recourse on account of the Buyer's failure to perform its obligations.

3. An earnest money deposit in the form of a cashier's check made payable to the State of Michigan in the amount of Five Hundred Thousand Dollars (\$500,000) (the "Earnest Money"), shall accompany two originally executed and five photocopies of this Agreement; said deposit shall be credited to the purchase price and the balance due shall be paid by cashier's check payable to the State of Michigan and delivered at the closing.

Upon the deposit of the Buyer's Earnest Money, One Hundred Thousand Dollars (\$100,000) is immediately non-refundable. Buyer acknowledges that the monies deemed non-refundable are fully non-refundable and the Buyer shall have no right, claim or interest in or to such non-refundable monies. Buyer further acknowledges that the balance of the Earnest Money deposit shall only be refundable under the conditions set forth in Section 8 and that the full amount of the Earnest Money is non-refundable in the event of default or failure by Buyer to perform any of its obligations under the terms of this Agreement.

The Closing shall occur at an agreed upon location and time by both the Seller and Buyer, not more than thirty (30) calendar days after the end of the Inspection Period (as hereinafter defined) and shall in no event occur later than Wednesday, March 30, 2005, unless the due diligence extensions are exercised, then the closing shall occur no later than Wednesday, March 29, 2006 (the "Closing"). **Closing shall be contingent upon receiving approval from the State Administrative Board.** Closing documents will be prepared by the Seller. All closing costs and special assessments will be paid by the Buyer. At Closing, Seller shall convey title to the Property by Quitclaim Deed, prepared and approved by the Attorney General, subject to any liens, charges, actions, encumbrances and title exceptions, and subject to the provisions of Public Act 671 of 2002.

4. After receipt of the balance of the purchase price, pursuant to Section 3, the Seller shall deliver to the Buyer a Quitclaim Deed as required by Public Act 671 of 2002, and with the exceptions set forth in Public Act 671 of 2002, prepared and approved by the Attorney General. The execution and delivery of the Quitclaim Deed by the Seller shall be deemed to be a full performance and discharge of all the terms and conditions of this Agreement to be observed or performed by Seller, except those that herein are stated expressly to survive the Closing.

5. Buyer acknowledges that it has had or will have the opportunity for physical inspection of the Property and shall accept the Property “as is,” that is, in its present condition, *and accepts all risk of loss on and after the date that* title is transferred (Date of Conveyance). It shall be the sole responsibility of the Buyer to make its own investigations and other due diligence inquiries as to the Property. Notwithstanding the foregoing, the Buyer shall have until 5:00 p.m., one hundred eighty (180) days from the date of bid award, to conduct investigations and other due diligence inquiries regarding the Property (the “Inspection Period”). Upon written request by the Buyer, the State **shall grant** a first extension of the due diligence period for an additional one hundred eighty (180) calendar days, for consideration of a non-refundable One Hundred fifty thousand Dollars (\$150,000). Additionally, upon written request by the Buyer, the State, at its sole discretion, **may grant** a second extension of the due diligence period for another one hundred eighty (180) calendar days, for consideration of a non-refundable Three Hundred Thousand Dollars (\$300,000).

For the State to grant the Buyer said first extension of the due diligence period, the Buyer shall, no later than three (3) business days prior to the expiration of the due diligence period, submit a written request and a cashiers check in the amount of One Hundred Fifty Thousand Dollars (\$150,000) made payable to the “State of Michigan”.

For the State to consider granting the second extension of the due diligence period, the Buyer shall, no later than three (3) business days prior to the expiration of the due diligence period, submit a written request and a cashiers check in the amount of Three Hundred Thousand Dollars (\$300,000) made payable to the “State of Michigan”.

Due diligence extension consideration fees are non-refundable and are not to be applied to the purchase price.

If after such extension periods, the Buyer is not reasonably satisfied with the results of such investigations and due diligence inquiries, the Buyer may cancel this Offer to Purchase Real Property, in which event the Buyer will provide the State with copies of its due diligence materials as requested, including but not limited to, environmental reports, surveys, title commitments, etc. and be entitled to a return of \$400,000 of the original Earnest Money.

Buyer agrees that the Seller assumes no liability or responsibility for the presence of any toxic, hazardous, polluting or injurious substances on, in, or below the Property. Except as expressly stated herein, Seller makes no representations as to any toxic, hazardous, polluting or injurious substances on, in, or below the Property or any property adjacent to the Property.

Pursuant to MCL 324.20116(1), Seller hereby provides notice to Buyer that Seller has information indicating that one or more hazardous substances have been detected at the Property in excess of concentrations referenced in MCL 324.20101(1)(o), and that the Property may therefore be a “facility” as defined in MCL 324.20101(1)(o).

The information available to Seller on that subject consists of (i) Phase I Environmental Report and (ii) Phase II Environmental Report, that are available for inspection and review by Buyer as described in the Invitation to Bid.

Buyer acknowledges that asbestos, lead paint, lead plumbing, mold, PCBs, and irradiating materials may be present within building materials and structures located on or below the surface of the Property and agrees to accept the Property "as is." Buyer further acknowledges and understands that the building materials and structures on the Property may contain asbestos and mold and that any reuse or redevelopment of the Property that results in demolition or structural changes may result in the release of asbestos or asbestos-containing materials and mold. Buyer agrees to release the Seller from any and all existing and future claims related to the existence or discovery of asbestos, asbestos-containing materials, lead paint, lead plumbing, PCBs and irradiating materials present within building materials and structures located on or below the surface of the Property.

Buyer further agrees to take no administrative, judicial or other legal action against the Seller because of the existence or discovery of any toxic, hazardous, polluting or injurious substances, including without limitation any action for contribution, cost recovery, third party action, injunctive relief to compel the Seller to investigate or take remedial action, declaratory relief, damages, or any action associated with any obligations the Buyer may have to comply with federal, state or local law in conjunction with the investigation, removal, or abatement of any toxic, hazardous, polluting or injurious substance, including but not limited to asbestos or asbestos-containing materials. Buyer agrees to release the Seller from any and all existing and future claims related to the existence or discovery of any toxic, hazardous, polluting or injurious materials in, on, below or emanating from the Property.

Buyer agrees to indemnify the Seller and to hold the Seller harmless if any hazardous, polluting, injurious, or toxic substances exist, are discovered in, on, below, or emanating from the Property or their condition is exacerbated by the Buyer.

Notwithstanding anything to the contrary in this Section or in this Agreement, the Seller will not be responsible to the Buyer for asbestos, lead, or mold-related claims arising from exposure to asbestos, lead, or mold (if any) where said exposure occurs after the date of conveyance, and the Buyer will not be responsible to the Seller for asbestos, lead, or mold-related claims arising from exposure to asbestos, lead, or mold (if any) where said exposure occurred prior to the date of conveyance.

6. Except as expressly stated herein, Seller makes no representation or warranty as to the truth, accuracy or completeness of any materials, data or information delivered or made available by Seller to Buyer in connection with the transaction contemplated hereby. Buyer acknowledges and agrees that all materials, data and information delivered or made available by Seller to Buyer in connection with the transaction contemplated hereby are provided to Buyer as a convenience only and that any reliance on or use of such materials, data or information by Buyer shall be at the sole risk of Buyer, except as otherwise expressly stated herein.

Without limiting the foregoing provisions, Buyer acknowledges and agrees that (a) any environmental or other report with respect to the Property which is delivered or made available by Seller to Buyer shall be for general informational purposes only, (b) Buyer shall not have any right to rely on such report delivered or made available by Seller to Buyer, but rather will rely on its own inspections and investigations of the Property and any reports commissioned by Buyer with respect thereto, (c) neither Seller nor the person or entity which prepared any such report delivered or made available by Seller to Buyer shall have any liability to Buyer for any inaccuracy in or omission from any such report, and (d) Buyer shall assume all liability and costs associated with federal, state and/or local environmental laws or regulations.

7. The survey dated March 1, 2004, certified by John Spencer, shall be the survey of record and shall govern the Closing.
8. The Buyer shall be responsible for the costs of issuance of the title insurance policy, if any is obtained.
9. When title passes to the Buyer at Closing, the Property will immediately become subject to certain State safety and regulatory laws and to certain local ordinances and regulations (including zoning and use requirements) to which the Property was not heretofore subject because it was owned by the State. Buyer acknowledges that in certain substantial respects the Property may not comply with such statutes, rules, ordinances and regulations and would have to be substantially altered or repaired to be brought into compliance. Buyer acknowledges that it shall comply with all zoning and use requirements. The Buyer acknowledges that the Seller is under no obligation to take any action to bring the Property into compliance with such statutes, and that the Buyer has had the opportunity to make a personal inspection of the Property. The Buyer further acknowledges that it is the Buyer's responsibility to consult with all State and local regulatory agencies, which have and will continue to have, or will acquire jurisdiction.
10. If any person shall assert a claim to a fee, commission or other compensation on account of alleged employment as a broker or finder or for performance of services as a broker or finder in connection with this Agreement, the Buyer shall (a) indemnify, defend and hold harmless the Seller against and from any such claim and all costs, expenses and liabilities incurred in connection with such claim or any action or proceeding brought thereon (including without limitation, any and all attorney fees and costs incurred in defending against such claim) and (b) satisfy promptly any settlement or judgment arising from any such claim or any action or proceeding brought thereon. Seller has not used the services of a broker in connection with this transaction.
11. A condition of Closing will be Buyer's payment of the remainder of the purchase price and closing costs.

12. If between the time of offer and time of Closing, all or any part of the Property shall be destroyed or damaged by fire or any other casualty without fault of the Buyer, and if in the Seller's sole reasonable judgment the value of the Property is substantially reduced by such casualty, the Buyer may withdraw the offer or terminate this Agreement and all obligations of the Buyer and the Seller hereunder without recourse against the Seller.
13. It is expressly understood and agreed that neither the Seller nor the Buyer shall assign its interest under this Agreement or any portion thereof without the prior written consent of the other party, its successors or assigns.
14. Prior to Closing, any release to the public of information with respect to the sale contemplated herein or any matters set forth in this Agreement will be made only in the form approved by Seller.
15. The Buyer hereby represents and warrants to Seller:
 - (a) Buyer has the full right, power and authority to purchase the Property as provided in this Agreement and to carry out Buyer's obligations hereunder, and all requisite action necessary to authorize Buyer to enter into this Agreement and to carry out its obligations hereunder have been, or by the Closing will have been, taken. The person signing this Agreement on behalf of Buyer is authorized to do so.
 - (b) There is no action, suit, arbitration, unsatisfied order or judgment, government investigation or proceeding pending against Buyer which, if adversely determined, could individually or in the aggregate materially interfere with the consummation of the transaction contemplated by this Agreement.

The representation and warranties of Buyer shall survive Closing for a period of ninety (90) days.

15. **NONDISCRIMINATION:** Buyer shall comply with the Elliott-Larsen Civil Rights Act, 1976 PA 453 as amended, MCL 37.2101 *et seq.*; MSA 3.548(101) *et seq.*; the Persons with Disabilities Civil Rights Act, 1976 PA 220, as amended, MCL 37.1101; MSA 3.550(101) *et seq.*; and all other federal, state and local fair employment practices and equal opportunity laws and covenants that it shall not discriminate against any employee or applicant for employment, to be employed in the performance of this contract, with respect to his or her hire, tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment, because of his or her race, religion, color, national origin, age, sex, height, weight, marital status, or physical or mental disability that is unrelated to the individual's ability to perform the duties of a particular job or position. Buyer agrees to include in every subcontract entered into for the performance of this contract this covenant not to discriminate in employment. A breach of this covenant is a material breach of this contract.

16. UNFAIR LABOR PRACTICES: The State may void this Contract, if Buyer or any of its contractors, subcontractors, manufacturers, or suppliers appear in the register compiled pursuant to MCL 423.321 *et seq.*, pursuant to 1980 PA 278, as amended, MCL 423.321 *et seq.* (Employers Engaging in Unfair Labor Practices Act). A breach of this covenant is a material breach of this contract.
17. If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Agreement shall be construed and enforced in accordance with the substantive federal laws of the United States and the laws of the State of Michigan.
18. This instrument, together with the Invitation to Bid, Bidding Requirements, Bid Proposal Form, and the Release of Liability constitute the entire agreement between the Seller and the Buyer, and there are no other terms, conditions, promises, understandings, statements or representations, express or implied, concerning the transaction contemplated hereunder. This Agreement shall inure to the benefit of and bind the parties hereto and their respective personal representatives, successors and assigns.
19. This Agreement cannot be changed orally, and no executory agreement shall be effective to waive, change, modify or discharge it in whole or in part unless such executory agreement is in writing and is signed by the parties against whom enforcement of any waiver, change, modification or discharge is sought.
20. Each party agrees that it will without further consideration execute and deliver such other documents and take such other action, whether prior or subsequent to Closing, as may be reasonably requested by the other party to consummate more effectively the purposes or subject matter of this Agreement. Without limiting the generality of the foregoing, Buyer shall, if requested by Seller, execute acknowledgments of receipt with respect to any materials delivered by Seller to Buyer with respect to the Property. The provisions of this Section shall survive Closing.
21. This Agreement shall in all respects be governed by, and construed in accordance with, the laws of the State of Michigan.
22. The provisions of this Agreement and of the documents to be executed and delivered at Closing are and will be for the benefit of Seller and Buyer only and are not for the benefit of any third party, and accordingly, no third party, shall have the right to enforce the provisions of this Agreement or of the documents to be executed and delivered at Closing.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

Signed on behalf of Buyer this _____ day of _____, 2004.

WITNESSES

Signature

Printed Name

Signature

Printed Name

Its: _____

Signature

Printed Name

Signature

Printed Name

Its: _____

Federal Identification #: _____

STATE OF MICHIGAN)
) SS
COUNTY of _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2004, by _____, a _____ on behalf of _____.

Notary Public

_____ County, Michigan
My Commission expires: _____

ACCEPTANCE

On this _____ day of _____, 2004, the State of Michigan, by its Department of Management and Budget acting pursuant to Act 671 of the Public Acts of 2002, and subject to the approval of the State Administrative Board, accepts the foregoing Offer according to its terms.

WITNESSES

STATE OF MICHIGAN

Signature

By: _____
Mitch Irwin, Director
Department of Management and Budget

Printed Name

Signature

Printed Name

STATE OF MICHIGAN)
) SS
COUNTY of INGHAM)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2004, by Mitch Irwin, Director of Management and Budget.

Notary Public

_____ County, Michigan
My Commission expires: _____

ATTACHMENT A

YPSILANTI REGIONAL PSYCHIATRIC HOSPITAL PARCEL I

LAND DESCRIPTION

A parcel of land in section 2, T4S – R6E York Township, Washtenaw County, Michigan, more particularly described as beginning at the SW corner of said section 2; thence N01°35'12"W 2661.84 feet on the west line of said section to the W ¼ corner of said section; thence N01°34'54"W 1437.48 feet on said west line; thence N88°33'41"E 3429.32 feet to the westerly right of way of highway US-23; thence along said westerly right of way for the following five (5) courses:

- 1) S01°30'15"E 3872.52 feet
- 2) S01°44'55"W 259.12 feet
- 3) 441.21 feet on a curve to the right with a radius of 1070.90 feet, a central angle of 23°39'20" and a long chord bearing and distance of S13°33'06"W 438.10 feet
- 4) S25°21'15"W 727.85 feet
- 5) S50°12'59"W 249.02 feet to the south line of said section 2;

thence S89°18'55"W 269.62 feet on said south line to the S ¼ corner of said section; thence S89°51'03"W 2501.84 feet on said south line to the point of beginning, containing 318.40 acres, more or less.

PARCEL II

LAND DESCRIPTION

A parcel of land in the north half of section 3, T4S – R6E York Township, Washtenaw County, Michigan, more particularly described as beginning at the N ¼ corner of said section 3; thence N88°35'42"E 1415.26 feet on the north line of said section 3; thence S01°35'30"E 1334.25 feet; thence N87°58'00"E 1415.07 feet to the east line of said section 3; thence S01°34'54"E 1318.74 feet on said east line to the E ¼ corner of said section 3; thence S87°20'19"W 2830.77 feet on the E-W ¼ line to the center of said section 3; thence S87°21'25"W 695.52 feet on said E-W ¼ line to the easterly right of way of the Ann Arbor Railroad; thence N08°11'01"W 2733.73 feet on said railroad right of way to the north line of said section 3; thence N88°35'55"E 1009.45 feet on said north line to the point of beginning, containing 183.30 acres, more or less.

PARCEL III

LAND DESCRIPTION

The southeast ¼ of section 3, T4S – R6E York Township, Washtenaw County, Michigan, more particularly described as beginning at the southeast corner of said section 3; thence N01°35'12"W 2661.84 feet on the east line of said section to the E ¼ corner of said section 3; thence S87°20'19"W 2830.77 feet on the E-W ¼ line of said section to the center of said section 3; thence S01°36'26"E 2645.06 feet on the N-S ¼ line of said section to the S ¼ corner of said section 3; thence N87°40'40"E 2829.54 feet on the south line of said section 3 to the point of beginning, containing 172.38 acres, more or less.

**YPSILANTI REGIONAL PSYCHIATRIC HOSPITAL
PARCEL IV**

LAND DESCRIPTION

A parcel of land in the NW ¼ of section 11, T4S – R6E York Township, Washtenaw County, Michigan, more particularly described as commencing at the NW corner of said section 11; thence N89°51'03"E 1506.08 feet on the north line of said section 11 to the point of beginning of this description; thence N89°51'03"E 995.76 feet on said north line to the N ¼ corner of said section 10; thence S01°45'05"E 708.65 feet; thence S89°51'03"W 998.63 feet; thence N01°31'11"W 708.58 feet to the point of beginning, containing 16.22 acres, more or less.